

## **CHAPTER 99-01.3-02 GENERAL RULES**

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### **99-01.3-02-01. Definitions.** As used in this article:

1. "Attorney general" includes an agent of the attorney general.
2. "Bar" means retail alcoholic beverage establishment.
3. "Bar employee" is a person, employed by a bar that is not operated by an organization, who redeems winning pull tabs or bingo cards, or both, involving a dispensing device or who sells raffle tickets or sports pool chances on a board for an organization.
4. "Cash on hand" means coin, currency, and checks, plus an IOU due from another source of cash or nongaming funds, less an IOU owed to another source of cash or nongaming funds.
5. "Cash prize" means coin, currency, marketable security, and a similar item that can be readily redeemed or converted into legal tender. Cash prize does not include precious metal bullion, a coin of precious metal or antique coin that has a market value greater than its face value, or a merchandise gift certificate. The value of a marketable security is its cost.
6. "Cash profit" means:
  - a. For bingo, excluding a dispensing device, total ending cash on hand, less starting cash on hand and prizes paid by check, for a bingo session.
  - b. For a raffle, total receipts less prizes paid by cash and check.

- c. For a commingled game of pull tabs, total ending cash on hand, less starting cash on hand and cash prizes paid by check, for a day's activity.
  - d. For a commingled game of pull tabs and bingo involving a dispensing device, total currency withdrawn from a dispensing device, less the value of daubers sold, credits paid on a credit redemption register, cash long or short from an employee bank, and prizes paid, for an interim period.
  - e. For a club special, tip board, seal board, and punchboard, the total daily difference between ending cash on hand and starting cash on hand and less prizes paid by check, for the game.
  - f. For a prize board, the total daily difference between ending cash on hand and starting cash on hand, less prizes paid by check and cost of coins, for the game.
  - g. For a sports pool, the total daily difference between ending cash on hand and starting cash on hand, less prizes paid by check.
  - h. For twenty-one, and paddlewheels described by subsection 2 of section 99-01.3-11-01, total ending cash on hand, plus drop box cash, less total starting cash on hand, for a day's activity.
  - i. For poker, total ending cash on hand, less starting cash on hand, less prizes paid by check, for a day's activity.
  - j. For calcuttas, total ending cash on hand, less starting cash on hand, prizes paid by check, and refunds to players, for the event.
  - k. For paddlewheels described by subsection 1 of section 99-01.3-11-01, total ending cash on hand, less starting cash on hand and prizes paid by check, for a paddlewheel ticket card.
- 7. "Conduct of games" means the direct operation of a game on a site, including placing pull tabs or bingo cards in or withdrawing currency from a dispensing device. This term excludes a bar employee who redeems a winning pull tab or bingo card, or both, involving a dispensing device or who sells a raffle ticket or a sports pool chance on a board.
  - 8. "Deal" in pull tabs means each box or bag or series of boxes or bags containing one game with the same serial number. "Deal" in bingo means each box of bingo cards, regardless of the serial number.
  - 9. "Employee" includes a person employed by an organization, an employee of a temporary employment agency who provides gaming-related services to an organization, and a volunteer of an organization.

10. "Flare" refers to a flare, master flare, or prize flare:
- a. Flare. A flare is a display with the state gaming stamp affixed which describes a punchboard, sports-pool board, calcutta board, deal of pull tabs, club special, tip board, prize board, seal board, and deal of bingo cards involving a dispensing device. The flare for a punchboard is its face sheet. A flare for a sports-pool board, calcutta board, prize board, club special, tip board, and seal board is the game board.
  - b. Master flare. A master flare for a game of pull tabs is the same as a "flare" but it does not have a state gaming stamp affixed. A master flare for paddlewheels is described by subsection 1 of section 99-01.3-11-02.
  - c. Prize flare. A prize flare is a posted display which describes a winning bingo pattern and prize amount involving bingo cards used in a dispensing device.
11. "Gaming equipment" means a game piece or device specifically designed for use in conducting games, including integral components of a dispensing device such as a currency validator, processing board, EPROM microchip or other data storage device, attached bar code credit devices, and card shuffling devices. The term excludes fill and credit slips, promotional paper bingo cards, and a bingo dauber.
12. "Inside information" is any information about the status of a game when that game is conducted that may give a person an advantage over another person who does not have that information, regardless if the person uses or does not use the information, when providing that information is prohibited by the gaming law or rules. It includes information provided through written, verbal, or nonverbal communications that implies or expresses the number of unsold chances; relationship of a game's cash on hand to its ideal adjusted gross proceeds; number of unredeemed top tier or minor winning game pieces that is not posted, value of a hole card in twenty-one, number under the tape of a sports-pool board, or number under a seal.
13. "Organization" in reference to a local permit includes a "group of people".
14. "Primary game" is the principal game conducted on a site. Determining factors include frequency of conduct, square footage used, duration of time conducted, and volume of activity.
15. "Retail price" means the purchase price paid by an organization, excluding sales tax.

16. "Volunteer" means a person who conducts games for no compensation. A volunteer may receive a gift not exceeding a total retail value of thirty dollars for a consecutive twenty-four-hour period, cash tips, and reimbursement for documented business expenses. No gift may be cash or convertible into cash. See definition of employee.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-06

#### **99-01.3-02-02. Record check.**

1. Unless a person is not required to have a record check according to subsection 4, an organization or distributor may not employ the person as a temporary or permanent "employee" until the organization or distributor has initiated a record check on the person, or the person has independently requested a record check from the bureau of criminal investigation within one year before employment. However, an organization or distributor may temporarily employ a person pending a record check.
2. An organization or distributor shall initiate a record check of a person by submitting a "request for record check" form to the attorney general within ten calendar days of the first day of employment. If the attorney general determines that a fingerprint card or special authorization form, or both, are necessary, the attorney general shall provide the required documents to an organization or distributor which shall submit the completed documents to the attorney general within ten days from the date received. An organization or distributor may only request a record check of a person who has a written promise of employment or who is temporarily employed pending the result of the record check. A person shall attest to the accuracy of the information on the form and authorize the attorney general to release information on any criminal record found, including a copy of the bureau of criminal investigation's criminal history record information, to an organization or distributor which requested the record check.
3. For the purpose of this section, the definition of an "employee" is:
  - a. A person who directly operates games on a site;
  - b. A person who is a shift or gaming manager;
  - c. A person who is employed by a bar that is not operated by an organization, and who is authorized by an organization under subsection 4 of section 99-01.3-12-02 to withdraw currency or a drop box from a pull tab or bingo card dispensing device;

- d. A person who places a deal of pull tabs or bingo cards in a dispensing device, removes currency from the device, or reimburses a bar for redeemed pull tabs or bingo cards;
  - e. A person who is a member of a drop box cash count team; or
  - f. A person who directly sells or distributes gaming equipment for a distributor.
4. These employees of an organization are not required to have a record check:
- a. A volunteer, except a gaming manager or person who is a member of a drop box cash count team;
  - b. An employee who is sixteen or seventeen years of age;
  - c. An employee who has an expired work permit and who continues to be employed by the same organization or distributor that the person was employed by when the work permit expired;
  - d. An employee who has had a record check done and, within one year of the record check, has become reemployed by the same organization or employed by a different organization, distributor, or bar than the person was employed by when the record check was done, and who provides the notification copy of a "request for record check" form and, if applicable, a copy of the bureau of criminal investigation's criminal history record information, to the new employing organization, distributor, or bar; or
  - e. An employee, other than a gaming manager, who only conducts a calcutta, raffle, poker, or sports pool or is employed by an organization that conducts games on no more than fourteen days during a calendar year.
5. The attorney general may require fingerprints of a person. A local law enforcement agency may charge a fee for taking fingerprint impressions.
6. The fee for a record check is fifteen dollars and is not refundable. However, if a federal agency or local law enforcement agency has done a record check, the attorney general may waive the fee. The fee must be remitted by an organization, distributor, or person with the request form.
7. Unless a federal or local law enforcement agency conducts a record check, the attorney general shall do the record check and provide a copy of the "request for record check" form to an organization or distributor which requested the record check and the person on whom the record

check was done. This copy must indicate whether a criminal record was found or not found. If a criminal record is found, the attorney general shall also provide an organization or distributor and person with a copy of the bureau of criminal investigation's criminal history record information. An organization or distributor shall review this report to determine whether a person is eligible for employment as an employee according to subdivision a or b of subsection 5 of North Dakota Century Code section 53-06.1-06.

8. If a person is not eligible for employment but has been temporarily employed pending a record check, an organization or distributor, within five days of receiving the copy of the "request for record check" form, shall terminate the person's employment. This period cannot be extended.
9. An organization or distributor shall retain the copy of a "request for record check" form and criminal history record information or local law enforcement licensing document for the time period prescribed by federal law.
10. If a person, while employed by an organization or distributor, pleads guilty to or has been found guilty of a felony or misdemeanor offense referenced by subdivisions a and b of subsection 5 of North Dakota Century Code section 53-06.1-06, the person must immediately notify the organization or distributor. Upon notification, an organization or distributor, within five days, shall terminate the person's employment unless the person received a deferred imposition of sentence or deferred prosecution and has fully complied with the terms of the deferral.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-06

### **99-01.3-02-03. Restrictions and requirements.**

1. An employee shall wear an identification tag while working in the gaming area of a site. The tag must display a person's name, which may be the employee's middle name or a shortened form of a proper name, and first initial of the last name or the person's identification number, and organization's name. The tag must be worn on the upper one-third of a person's body. An organization shall provide a tag to a person and is equally responsible with the person that the tag is properly displayed.
2. An organization shall have the gaming law; chapter 99-01.3-02, general rules; chapter 99-01.3-03, accounting rules; and the rules chapter of each game type conducted at a site available in the gaming area for review by any person.

3. An organization shall have a policy manual on its conduct and play of games in the gaming area at a site available for review by any person. The manual must include policies for resolving a question, dispute, or violation of the gaming law or rules. The manual cannot include internal controls.
4. An organization shall maintain a list of all employees on a site, including their name, address, and telephone number. The list must be safeguarded and be available to the attorney general and law enforcement officials.
5. An organization shall disclose or make available to players a description of the "gaming area" of a site authorization for applying subsection 1 and sections 99-01.3-04-03(1)(f), 99-01.3-06-02(3)(d), 99-01.3-08-06(3), 99-01.3-12-02(3)(c), and 99-01.3-12-04(2)(c).
6. An organization's top official shall provide to the governing board and membership in writing, or by electronic publication method, each quarter information on an organization's adjusted gross proceeds; cash profit; cash long or short; net proceeds; excess expenses; reimbursement of excess expenses; and, for a fraternal, veterans, or civic and service organization, a list of eligible uses. This information and how it was provided must be included in an organization's records. If an administrative complaint is issued to an organization, the top official shall disclose the allegation, in writing, to the board within seven days from the date the complaint was received. If an allegation is substantiated, the top official shall disclose to the board and membership, in writing, the allegation and sanction imposed within ninety days of the final disposition of the complaint.
7. A person may not modify a state gaming stamp or flare, including a last sale prize. An organization may not, independent of a distributor, add or delete a last sale prize.
8. A person under the age of twenty-one may not conduct or play games, except bingo and raffles, and, at an alcoholic beverage establishment, may not be a member of a drop box cash count team. An employee under the age of eighteen may not count drop box cash. A person under the age of sixteen may not conduct bingo.
9. An employee or a bar employee may not use inside information or provide inside information to any person.
10. The attorney general may waive a rule when it is for the best interest of the gaming industry and public.
11. If an organization does not plan to reapply for a license for the next licensing period or relinquishes a license, it shall return its unplayed games, with state gaming stamps, to the attorney general or distributor.

An organization may not destroy an unplayed or unreported game without permission of the attorney general.

12. When an organization disposes played deals of pull tabs and bingo cards, club specials, prize boards, tip boards, seal boards, and punchboards, the disposal method must assure complete destruction.
13. If an organization is forced to dispose accounting records or game pieces damaged in a natural or extraordinary disaster, it shall document each item disposed and provide a copy of the documentation to the attorney general within fourteen days before the disposal.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

#### **99-01.3-02-04. Equipment acquisitions and use.**

1. An organization shall procure gaming equipment only from a licensed distributor. However, an organization may:
  - a. Buy raffle tickets with a detachable stub from a printer or buy double admission tickets from any vendor;
  - b. Buy, lease, or sell a used pull tab or bingo card dispensing device from or to a distributor or another organization provided that a distributor records the transaction on a sales invoice; or
  - c. Buy, sell, rent, lend, exchange, or give its own used playing cards, jar bar, twenty-one or poker table, bingo hard cards, bingo machine, flashboard, dealing shoe, discard holder, poker chips, chip tray, paddlewheel, or paddlewheel table from or to any organization. An organization may not sell or otherwise provide any of these particular items or any other item of gaming equipment, except playing cards, to any other person unless approval is obtained from the attorney general.
2. An organization may not use or knowingly permit its gaming equipment to be used for an illegal purpose.
3. An organization or an employee may not conduct or possess a deal of pull tabs or bingo cards, club special, tip board, seal board, prize board, punchboard, sports-pool board, calcutta board, or series of paddlewheel ticket cards unless its flare has a gaming stamp.
4. If an organization or distributor suspects that a deal of pull tabs or bingo cards, club special, tip board, prize board, or punchboard may be



defective, the organization or distributor shall comply with guidelines prescribed by the attorney general.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-06, 53-06.1-14

**99-01.3-02-05. Lessor and organization - Restrictions.**

1. A lessor's employee who is not the lessor's spouse, lessor's common household member, management, management's spouse, or lessor's employee or agent who approved the lease may conduct games at that site, including accessing a dispensing device, as an organization employee:
  - a. On a day when the employee is not working for the bar; or
  - b. On a day when the employee is working for the bar but is working in an area of the bar where alcoholic beverages are not dispensed or consumed.
2. No game may be directly operated as part of a lessor's business. However, a lessor may donate a gift certificate or cash or merchandise prize to an organization.
3. Except as allowed by subdivision c, a lessor, lessor's spouse, lessor's common household member, management, management's spouse, officer, board of directors member, or, lessor's employee or agent who approved the lease, may not:
  - a. Loan money or provide gaming equipment to an organization;
  - b. Interfere with or attempt to influence an organization's selection of games, determination of prizes, including a bingo jackpot prize, or disbursement of net proceeds. However, a lessor may recommend an eligible use. If the lessor violates this rule, the attorney general may suspend any or all games at the site for up to six months;
  - c. Conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play any game at the lessor's site;
  - d. Require an organization's employee to assist, for or without compensation, in a lessor's business at the site. However, an organization's employee may voluntarily order drinks for customers; or
  - e. Count drop box cash.

4. A lessor who is an officer or board member of an organization may not participate in the organization's decisionmaking that is a conflict of interest with gaming.
5. Unless an organization or its employee has first received approval from the attorney general, follows guidelines prescribed by the attorney general, or an organization's employee patronizes a lessor in the normal course of a lessor's business, the organization or its employee may not buy a gift certificate or merchandise as a gaming prize from a lessor, or buy merchandise, food, or alcoholic or nonalcoholic drinks from the lessor for the lessor's employees or patrons. Except as provided by subdivision e of subsection 3, an employee of an organization may not be an agent of the bar for any bar activity.
6. An organization, employee, or bar may not give a free or discounted game piece, chip, or play of a game except for discounts allowed for bingo and raffle activity, or free or discounted alcoholic drink to a person to play a game. A lessor may at its own expense advertise gaming on promotional drink tickets.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-06

#### **99-01.3-02-06. Rental agreement.**

1. A rental agreement must be signed and dated by a lessor and organization.
2. An agreement must contain:
  - a. Term of the agreement which must be on a fiscal year basis from July first to June thirtieth or, if a site authorization is for a shorter period, the term is for the shorter period. Except for a site where bingo is the primary game, an agreement may not exceed three years;
  - b. Monetary consideration;
  - c. The inclusion of this statement with proper selections made:

"The lessor agrees that the (lessor), (lessor's) spouse, (lessor's) common household members, (management), (management's) spouse, or an employee of the lessor who is in a position to approve or deny a lease may not conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play games at that site. However, a bar employee may redeem a winning pull tab

or bingo card involving a dispensing device and sell raffle tickets or sports pool chances on a board on behalf of an organization";

- d. If an organization provides a lessor with a temporary loan of funds for redeeming winning pull tabs or bingo cards involving a dispensing device, a statement that the lessor agrees to repay the entire loan immediately when the organization discontinues using a device at the site; and
- e. Statements that:
  - (1) Bingo is or is not the primary game conducted;
  - (2) Twenty-one or paddlewheels, or both (involving a playing table), is or is not conducted and the number of tables on which the rent is based, including the number of tables on which a wager over five dollars is accepted;
  - (3) Pull tabs is or is not conducted;
  - (4) The rental agreement is automatically terminated, at a lessor's option, if an organization's license is suspended for more than fourteen days or revoked; and
  - (5) An oncall, temporary or permanent employee, except a bar employee defined by subsection 3 of section 99-01.3-02-01 will not, directly or indirectly, conduct games at the site as an organization employee on the same day the employee is working in the area of the bar where alcoholic beverages are dispensed or consumed.

3. Rent must be a fixed dollar amount per month.

- a. A participatory or graduated rate arrangement based on gross proceeds or adjusted gross proceeds is prohibited.
- b. If bingo is the primary game and it is not conducted through a dispensing device or if a site is leased by an organization that has the alcoholic beverage license for that site, the monthly rent must be reasonable. Factors include time usage, floor space, local prevailing rates, and available sites and services. An organization may pay seasonal expenses, such as snow removal, air-conditioning, and heating, to a vendor.
- c. If bingo is not the primary game or if bingo is the primary game and it is conducted through a dispensing device, the maximum monthly rent must be according to subsection 5 of North Dakota Century Code section 53-06.1-11. Special considerations are:

- (1) If two or more organizations conduct twenty-one or paddlewheels, or both, involving a table and pull tabs for less than a month at a temporary site which is a public or private premise, or if two or more organizations are issued site authorizations to conduct games at a site on different days of the week, the maximum monthly rent, in the aggregate, may not exceed the limit set by subsection 5 of North Dakota Century Code section 53-06.1-11; and
  - (2) If a raffle, calcutta, sports pool, or poker is conducted with twenty-one, paddlewheels, or pull tabs, no additional rent is allowed.
- d. Except for applying subsection 3 or 4 of section 99-01.3-03-04, and additional rent paid to a lessor for simulcast racing, an organization or employee may not pay any additional rent or expense, from any source, or for any other purpose, including office or storage space, snow removal, maintenance or cleaning fees, equipment, furnishings, entertainment, or utilities. Except for a leased site at which bingo is the primary game conducted, an organization may not pay for any capital or leasehold improvements or remodeling.
4. If there is a change in the monthly rent or any other material change to a rental agreement, the agreement must be amended and a copy received by the attorney general before its effective date.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-06, 53-06.1-07.4

**99-01.3-02-07. Gaming manager, shift manager, and reporting violations.**

1. An organization shall designate one person as the gaming manager. A gaming manager may not be an employee of a temporary employment agency. A gaming manager is the person who is responsible and held accountable for managing and controlling the overall gaming operation. A person may be a gaming manager for two or more organizations. When the gaming manager changes, an organization shall notify the attorney general on a prescribed form within fourteen days of the change.
2. An organization shall designate an employee at a site as a shift manager for each shift of each day. A shift manager shall be on the site during that shift and may not be an employee of a temporary employment agency. A shift manager is a person who is responsible and held accountable for regularly managing games at a site and ensuring compliance with the gaming law and rules by an employee, lessor, and player.

3. An organization, distributor, or gaming or shift manager shall immediately report any material violation of the gaming law or rules and any gaming-related criminal activity to the gaming division of the office of attorney general and a local law enforcement agency.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

**99-01.3-02-08. Currency of play, credit play, and borrowing from gaming funds.**

1. Play of a game must be in United States currency. Play of a game must be on a cash basis. An organization may, by policy, accept checks and allow the use of debit cards. No credit may be extended to a player. The consideration to play a game must be paid before play. An employee may not loan money to a player, accept a postdated check, allow a player to alter a check, permit a player to establish an account by depositing cash for making periodic withdrawals, or any similar practice. An organization may allow a player to buy back a check with cash and may return a player's check to the player as part of a prize payout but may not unnecessarily delay the bank deposit of that check.
2. An employee may not borrow gaming funds as a personal loan or substitute a personal check for gaming funds.

**History:** Effective May 1, 1998; amended effective July 1, 2000; October 1, 2006.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

**99-01.3-02-09. Persons restricted from playing games.**

1. An employee who is a shift or gaming manager may not play any game at any of the organization's sites. An employee who services a pull tab or bingo card dispensing device may not play the device at that site.
2. An employee may not play any game while on duty, except a volunteer may participate in a raffle. For the game of bingo, if an organization's total gross proceeds for the previous fiscal year, for which tax returns were filed, was twenty-five thousand dollars or less, a volunteer who is not a bingo caller, shift manager, or gaming manager, may also play bingo not involving a dispensing device while on duty.
3. An employee may not play pull tabs, including through a dispensing device, tip board, club special, prize board, or punchboard until after three hours of active play have occurred since the employee went off duty at that site. "Active" play means that a game has been available for play. A player may not provide and an employee may not accept an unopened pull tab as a tip.

4. An employee who is not a volunteer may play twenty-one while off duty at that site only on a table that has a video surveillance system.
5. A bar employee may not play bingo or pull tabs, which involve a dispensing device, while on duty. A bar employee may play bingo involving a device while off duty, and may play pull tabs involving a device while off duty after three hours of active play have occurred since the bar employee went off duty at that site, unless otherwise prohibited by subdivision d of subsection 3 of section 99-01.3-02-05.
6. An employee or bar employee taking a temporary break is still considered on duty.
7. If an organization allows an employee to play games at its site, it shall disclose or make available to players the policy at that site.
8. A shift manager may not permit and an employee may not allow an employee's common household member, spouse, child, parent, brother, or sister, at a site, to:
  - a. Play pull tabs of a game while the employee is on duty as a jar operator for that game, regardless if the employee takes a temporary break or rotates to conduct another game. This rule does not apply to an employee who only places pull tabs in or withdraws currency from a dispensing device; or
  - b. Play twenty-one or paddlewheels at a table when the employee is dealing or is a wheel operator at that table.
9. An organization may prohibit a person from playing games at a site.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

**99-01.3-02-10. Training and acknowledgment of the gaming law and rules.**

1. A gaming manager, and an employee who is principally responsible for auditing closed games or daily activity or does bookkeeping, who have no previous gaming-related experience in those capacities, within thirty days of employment, shall request training from the attorney general. The training must include the gaming law and rules, recordkeeping, internal control, and tax return.
2. An employee shall read and acknowledge in writing, within thirty days of employment and the effective date of new gaming laws or rules, that the person has read and understands the provisions that relate

to the person's job duties. The attorney general shall designate the provisions to be read. An acknowledgment must be dated, reference the provisions, and be part of the person's personnel file.

3. This section does not apply to an organization that only conducts a raffle, calcutta, poker, paddlewheels described by subsection 1 of section 99-01.3-11-01, sports pool, or to an independent contractor.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

**99-01.3-02-11. Independent contractor services restricted.** Only an organization member, employee, including an employee of a temporary employment agency, or member of an auxiliary to an organization may manage, control, or conduct games. An organization may have an independent contractor, including another organization, provide specific gaming-related services. The organization shall ensure that the independent contractor complies with the gaming law and rules and may allow assistance with the following:

1. Perform audit services, including auditing closed games and daily activity, do interim audits of games, verify bank deposits, and reconcile inventory of gaming equipment and cash banks;
2. Perform accounting and bookkeeping services, including recording receipts and disbursements, processing payroll and payroll reports, reconcile bank statements, write checks, and prepare budgets, financial statements, and tax returns. However, an independent contractor may not have signatory authority of a bank account;
3. Train personnel how to conduct games and operate a dispensing device;
4. Repair and store a dispensing device;
5. Access, store, and review recorded video;
6. Store records and played games;
7. Take a locked bank bag or locked drop box to a financial institution provided the independent contractor has no access key;
8. An independent contractor that is a security company, security agency, accounting firm, or financial institution may count drop box cash; and

9. Provide consulting services to an organization for a poker occasion provided that the independent contractor does not manage, control, or conduct the game.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2004; October 1, 2006.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-06

**99-01.3-02-12. Audit and inspection of facilities and records.** Repealed effective July 1, 2000.

**99-01.3-02-13. Denial, suspension, or revocation of a license.**

1. The attorney general may deny, suspend, or revoke a license of an organization, distributor, or manufacturer when the applicant or licensee has:
  - a. Violated, failed, or refused to comply with any provision of the gaming law or rules or any other law of North Dakota or has knowingly allowed, caused, aided, abetted, or conspired with another person to cause the person to violate any provision of the gaming law or rules or any other law of North Dakota;
  - b. Falsified information on a license application or obtained a license by fraud, misrepresentation, concealment, or mistake;
  - c. Denied the attorney general access to a site or manufacturing facility, or failed to timely provide information requested or required by the attorney general, gaming law, or rules;
  - d. Misrepresented, or failed to disclose, a material fact to the attorney general; or
  - e. Engaged in any act or practice to defraud or cheat a person, or has used a device or scheme to defraud a person.
2. Upon revocation of a license, an organization, distributor, or manufacturer shall return the license and, if applicable, site authorization to the attorney general.

**History:** Effective May 1, 1998; amended effective July 1, 2000.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-03, 53-06.1-14, 53-06.1-16